GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Infrastructure and Investment Department - VGF support of about 33 Cr per annum to M/s. Inter Globe Aviation Limited (Indigo) to continue the existing sector services of the flights in Kurnool airport for the period till March 2025 - VGF support of about 12 Cr per annum to M/s. Inter Globe Aviation Limited (Indigo) to resume the Kadapa - Hyderabad services of the flights in Kadapa Airport, for one year - Accorded - Orders - Issued.

INFRASTRUCTURE & INVESTMENT (AIRPORTS) DEPARTMENT

G.O.Rt.No.23. Dated 15-03-2024.
Read the following:

1) G.O.Rt.No.6, I&I (Airports) Dept., Dated 31.01.2022.
2) G.O.Rt.No.9, I&I (Airports) Dept., Dated 10.03.2022.
3) G.O.Rt.No.50, I&I (Airports) Dept., dated 03-08-2023.
4) Remarks of MD, APADCL in e-office file computer No.2366673
5) From the Vice President - Aeropolitical Affairs & Airline Partnerships, IndiGo (Inter Globe Aviation Limited), dated 28.02.2023.

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ORDER:

The Ministry of Civil Aviation, Government of India (MoCA) has implemented the Regional Connectivity Scheme (RCS-UDAN) to enhance regional connectivity at identified unserved/underserved airports across the country and accordingly, two airports in Andhra Pradesh covered under *Regional Connectivity Scheme - RCS UDAN*. The details are as follows:

Sl.No.	Airport	Ownership	Category & Round	Date of operatinalizaton
1.	Kadapa	AAI	Underserved (Round-1)	27.04.2017
2.	Kurnool	State (Airports Development Corporation)	Unserved (Round-3)	28.03.2021

2. Kadapa Airport has been allotted a RCS route i.e., Two way Kadapa-Hyderabad and M/s.Trujet has operated this route starting 27-04-2017 from this airport. Later on, services in Chennai (16-11-2017), Vijayawada (01-03-2018) & Belgaum (01-03-2020) routes have been commenced by the same airline operator. As the RCS-UDAN scheme offers VGF support for only 3 years for any route from date of its first flight, the airline operator has discontinued services in all routes except the Belgaum route. However, due to increased demand from the people of Kadapa to extend the discontinued routes under RCS-UDAN scheme, the GoAP has requested the MoCA for extension of VGF support in these discontinued routes, for which the MoCA has not agreed.

3. In the G.Os 1st and 2nd read above, in order to ensure enhanced connectivity to the people of Kadapa and surrounding areas, Government has permitted the MD, APADCL to enter into a Selected Airline Operator Agreement (SAOA) with M/s. Inter-Globe Aviation Limited (IndiGo) to operate four (4) flights per week on Chennai- Kadapa and Vijayawada - Kadapa routes, with the State Support to an extent of Rs.20 crores and three (3) flights per week on Bengaluru - Kadapa and Visakhapatnam - Kadapa routes, with the State Support to an extent of Rs.15 crores, on mutually agreed terms and conditions, for a period of one year, starting from the date the operation starts and in the G.O. 3rd read above Government has extended the state support at about 70% of the existing subsidy to M/s. Inter-Globe Aviation Limited (IndiGo) to operate four (4) flights per week on Chennai-Kadapa and Vijayawada - Kadapa routes and three (3) flights per week on Bengaluru - Kadapa and Visakhapatnam - Kadapa routes for a further period of 1 ½ year with effect from 26-03-2023.

4. In the letter 4th read above, the MD APADCL has stated that the Uyyalawada Narashimha Reddy Airport, Kurnool was awarded Aerodrome License by the DGCA on 15th Jan, 2021; inaugurated on 25th March 2021 and the renewal of license for commercial operations under Category-V from DGCA obtained till Jan 2025. Indigo Airline commenced Scheduled Aircraft Operations under *RCS (Regional Connectivity Scheme)* from 28th March, 2021. The routes covered under RCS scheme for Kurnool Airport were as below:

Route	Airliners	Date of Operationalization
Kurnool - Vizag and Vizag - Kurnool	Indigo	28.03.2021
Kurnool - Chennai & Chennai - Kurnool	Indigo	28.30.2021
Kurnool - Bengaluru & Bengaluru - Kurnool	Indigo	28.03.2021

5. As support under RCS-UDAN by AAI / GoI is only for 3 years, the support of AAI will continue till 28.03.2024 only for Kurnool Airport and the Indigo has informed that they are not operating the services of Bengaluru sector in summer schedule from 28.03.2024, the remaining 2 routes i.e., Chennai & Visakhapatnam routes will be discontinued from 15.08.2024.

6 Realizing the need to increase the existing connectivity to six operating airports in the State (including Kurnool Airport), a meeting was held with the Head of Commercial and Head of Operations of Airlines service providers and the representatives from Ministry of Civil Aviation in Delhi on 28.11.2023, wherein, all the airliners were requested to increase the services from various airports in AP including Kurnool. During the meeting, the reasons cited by the Airliners for stopping or reducing certain routes are

- Lesser availability of the aircrafts especially ATR-72
- Requirement of VGF support to run certain routes
- Delay in the payment of assured VGF support

- Most of the States are offering the VGF support as advance and the airliners are moving to those states.

7. On examination of the passengers' travel data (attached at Annexure-1 and Annexure-2 for Kadapa and Kurnool Airports respectively), it is observed that air travellers are increasing every year and Kurnool airport has created favourable atmosphere among industrialists and entrepreneurs to set up new industries in Rayalaseema region which will help to generate employment and bring socio economic development. Hence, continuing Indigo flights at Kurnool airport with VGF support of Government is very essential.

8. Similarly, there is a huge demand to resume to the Kadapa - Hyderabad services and despite best efforts, the Indigo is unable to continue the services citing the reasons of market demand and other factors. AAI support under RCS UDAN is available only for 3 years, which has already expired w.r.t Kadapa Airport and which will expire by March 2024 for Kurnool Airport. There is a acute shortage of airliners in the country with sufficient air-crafts to run the flights from these airports for the required sectors.

9. The MD, APADCL has submitted that the only available and interested airliner Indigo has also made explicitly clear that without the VGF support, it is not possible to continue the services at Kurnool Airport beyond March 2024 and to resume the services of Kadapa - Hyderabad route. Indigo is willing to consider the continuation of services to and from Kurnool and Kadapa-Hyderabad route, if the State Government can offer VGF support as is being done for their operations from Kadapa for few routes. MD further informed that Indigo has submitted the following proposal of requirement of annual support for each route from Kurnool Airport:

Route	Freq. / week	Period of Ops	Cash support (net of all taxes) (Rs. Crores)
Kurnool - Bengaluru - Kurnool	3	1 Apr 24 - 31 Mar 25	12
Kurnool - Chennai - Kurnool	3	1 Apr 24 - 31 Mar 25	12
Kurnool - Visakhapatnam - Kurnool (RCS till 15 thAugust 2024)	3	16 Aug 24 - 31 Mar 25	9

10. Government, after careful examination of the proposal, hereby orders on the following:

a. to extend state support @ Rs.33 crores per annum to M/s. Inter Globe Aviation Limited (Indigo) to operate 3 flights per week on Kurnool - Bengaluru - Kurnool; Kurnool - Chennai - Kurnool and Kurnool - Visakhapatnam - Kurnool routes in Kurnool airport for the period till March 2025 as given at Para-9.

b. to extend state support upto Rs.12 crores to M/s. Inter Globe Aviation Limited (Indigo) to operate on Kadapa-Hyderabad-Kadapa route in Kadapa Airport for a period of one year starting from the date its operation.

11. The Managing Director, APAirports Development Corporation Limited (APADCL) shall take necessary action accordingly.

12. This order issues with the concurrence of the Finance Department with regard to the Kurnool VGF vide their U.O.No.Fin01-FMU0ASD(IIE)/2/2024-FMU-IIEIC(Comp.No.2368794) Dated 01-03-2024. W.r.t. Para-10 (b), the concurrence of Finance Dept., will be obtained, to meet the expenditure from the BE 2024-25 under the HoA 3053-01-190-11-06-310-312, on par with VGF support at Para 10(a).

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N.YUVARAJ
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

To
The Managing Director, APADCL, Vijayawada.
The VP & Head - Network Planning, InterGlobe Aviation Ltd., (IndiGo).

Copy to:
The O.S.D. to Prl.Secy., to Hon'ble C.M.
The P.S to Hon'ble Minister for I&I.
The O.S.D. to C.S to Government.
The P.S to Spl.C.S to Govt., I&I Department.
The Finance (FMU-I&I, Energy and I&C) Department.
The GA (Cabinet) Department.
Sf/Scs
(File No.BIAC-16026/13/2024-AIRPORTS-BIAC, Computer No.2366673)

//Forwarded :: By Order//

SECTION OFFICER

Annexure-1: Data of Passengers Travel from Kadapa Airport:

Route - Chennai - Kadapa-Chennai					
COMMERCIAL PAX REPORT Kadapa AIRPORT					
S.NO	YEAR	MONTH	ARRIVAL	DEPARTURE	TOTAL PAX
1	2021-2022	MARCH 2021 to MARCH 2022	NA	NA	NA
2	2022-2023	APRIL 2022 to MARCH 2023	4267	4512	8779
3	2023-2024	APRIL 2023 to JANUARY 2024	4855	6534	11389
		TOTAL	9122	11046	**20168**

Route - Vijayawada-Kadapa-Vijayawada					
COMMERCIAL PAX REPORT Kadapa AIRPORT					
S.NO	YEAR	MONTH	ARRIVAL	DEPARTURE	TOTAL PAX
1	2021-2022	MARCH 2021 to MARCH 2022	NA	NA	NA
2	2022-2023	APRIL 2022 to MARCH 2023	3237	3066	6303
3	2023-2024	APRIL 2023 to JANUARY 2024	3301	3351	6652
		TOTAL	6538	6417	**12955**

Route - Bengaluru-Kadapa-Bengaluru					
COMMERCIAL PAX REPORT Kadapa AIRPORT					
S.NO	YEAR	MONTH	ARRIVAL	DEPARTURE	TOTAL PAX
1	2021-2022	MARCH 2021 to MARCH 2022	NA	NA	NA
2	2022-2023	APRIL 2022 to MARCH 2023	2674	3977	6651
3	2023-2024	APRIL 2023 to JANUARY 2024	3130	4099	7229
		TOTAL	5804	8076	**13880**

Route - Vizag-Kadapa-Vizag					
COMMERCIAL PAX REPORT Kadapa AIRPORT					
S.NO	YEAR	MONTH	ARRIVAL	DEPARTURE	TOTAL PAX
1	2021-2022	MARCH 2021 to MARCH 2022	NA	NA	NA
2	2022-2023	APRIL 2022 to MARCH 2023	5301	4860	10161
3	2023-2024	APRIL 2023 to JANUARY 2024	3409	3442	6851
		TOTAL	8710	8302	**17012**

Route - Kadapa - Hyderabad-Kadapa					
COMMERCIAL PAX REPORT Kadapa AIRPORT					
S.NO	YEAR	MONTH	ARRIVAL	DEPARTURE	TOTAL PAX

1	2021-2022	MARCH 2021 to MARCH 2022	NA	NA	NA
2	2022-2023	APRIL 2022 to MARCH 2023	16467	16200	32667
3	2023-2024	APRIL 2023 to **OCT 2023**	12496	12460	24956
		TOTAL	28963	28660	**57623**

The details i.r.o. all NSOP operations at Kadapa Airport are as below:

NSOP PAX REPORT KADAPA AIRPORT					
S.NO	**YEAR**	**MONTH**	**ARRIVAL**	**DEPARTURE**	**TOTAL PAX**
1	2021-2022	MARCH-MARCH	294	293	587
2	2022-2023	APRIL-MARCH	259	266	525
3	2023-2024	APRIL-JANUARY	225	233	458
		TOTAL	778	792	1570

N.YUVARAJ
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

SECTION OFFICER

Annexure-2: Data of Passengers Travel from Kurnool Airport:

COMMERCIAL PAX REPORT					
S.NO	**YEAR**	**MONTH**	**ARRIVAL**	**DEPARTURE**	**TOTAL PAX**
1	2021-2022	MARCH-MARCH	15731	16240	31971
2	2022-2023	APRIL-MARCH	17928	19604	37532
3	2023-2024	APRIL-JANUARY	16348	18121	34469
		TOTAL	**50007**	**53965**	**103972**
NSOP PAX REPORT					
S.NO	**YEAR**	**MONTH**	**ARRIVAL**	**DEPARTURE**	**TOTAL PAX**
1	2021-2022	MARCH-MARCH	64	48	112
2	2022-2023	APRIL-MARCH	573	598	1171
3	2023-2024	APRIL-JANUARY	230	264	494
		TOTAL	**867**	**910**	

N.YUVARAJ
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

C. Kalyanam
SECTION OFFICER